

APPENDIX MERGER CONDITIONS

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APPENDIX MERGER CONDITIONS

1. MERGER CONDITIONS

- 1.1 For purposes of this Appendix only AM-WI is defined as one of the following ILECs as appropriate to the underlying Agreement (without reference to this Appendix) in those geographic areas where the referenced SBC owned Company is the ILEC: Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company, Nevada Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company, The Southern New England Telephone Company, Southwestern Bell Telephone Company, and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin.
 - 1.1.1 As used herein, SBC-AMERITECH means the applicable listed ILEC(s) doing business in Wisconsin.
 - 1.1.2 As used herein, AM-WI means an ILEC doing business in Wisconsin.
- 1.2 AM-WI will provide to TWTC certain items as set out in the Conditions for FCC Order Approving SBC/Ameritech Merger, CC Docket No. 98-141 (FCC Merger Conditions), including certain carrier-to-carrier promotions for use by TWTC to provision local service to residential end user customers on terms and conditions described in the FCC Merger Conditions, an alternative dispute resolution ("ADR") process designed to resolve carrier-to-carrier disputes before such disputes become formal complaints before the Commission and other items as specified herein.
- 1.3 The Parties agree to abide by and incorporate by reference into this Appendix the FCC Merger Conditions.
- 1.4 This Appendix terminates the earlier of (1) the date this Agreement itself terminates without reference to this Appendix or (2) the date AM-WI obligations cease under the FCC Merger Conditions.

2. DEFINED TERMS; DATES OF REFERENCE

- 2.1 Unless otherwise defined in this Appendix, capitalized terms shall have the meanings assigned to such terms in the Agreement without reference to this Appendix and in the FCC Merger Conditions.
- 2.2 For purposes of calculating the intervals set forth in the FCC Merger Conditions concerning carrier to carrier promotions:
 - 2.2.1 the Merger Closing Date is October 8, 1999; and
 - 2.2.2 the Offering Window begins November 7, 1999.

- 2.3 "FCC Merger Conditions" means the Conditions for FCC Order Approving SBC/Ameritech Merger, CC Docket No. 98-141.

3. DISCOUNTED SURROGATE LINE SHARING CHARGES

- 3.1 Effective June 6, 2000, this discount is no longer available.

4. OSS: CHANGE MANAGEMENT PROCESS

- 4.1 Upon request by TWTC, within one month of the Merger Closing Date, AM-WI and TWTC shall begin to negotiate along with other interested CLECs a uniform change management process for implementation in the AM-WI Service-Area to the extent required by paragraph 32 of the FCC Merger Conditions. For purposes of this Paragraph, "change management process" means the documented process that AM-WI and the CLECs follow to facilitate communication about OSS changes, new interfaces and retirement of old interfaces, as well as the implementation timeframes; which includes such provisions as a 12-month developmental view, release announcements, comments and reply cycles, joint testing processes and regularly scheduled change management meetings. AM-WI will follow the uniform change management process agreed upon with interested CLECs.

5. OSS: ELIMINATION OF CERTAIN FLAT-RATE MONTHLY CHARGES

- 5.1 Effective with the first billing cycle that begins after the Merger Closing date, AM-WI hereby eliminates in the AM-WI Service Area, on a going-forward basis, all flat-rate monthly charges for access to the Remote Access Facility and the Information Services Call Center. The intent of this Paragraph is to eliminate the flat-rate monthly charges (amounting to approximately \$3600 per month per CLEC per State) that AM-WI charged TWTC prior to the Merger Closing Date. Effective with the first billing cycle that begins after the Merger Closing date, AM-WI also hereby eliminates in the AM-WI Service Area, on a going-forward basis, any flat-rate monthly charges for access to standard, non-electronic order processing facilities that are used for orders of 30 lines or less. This Paragraph does not limit AM-WI's right to charge TWTC for the cost of processing service orders received by electronic or non-electronic means, whether on an electronic or non-electronic basis; to charge TWTC for the cost of providing loop make-up information, or to recover the costs of developing and providing OSS through the pricing of UNEs or resold services, in accordance with applicable federal and state pricing requirements.

6. ADVANCED SERVICES OSS DISCOUNTS

- 6.1 AM-WI will, subject to TWTC's qualification and compliance with the provisions of the FCC Merger Conditions, provide TWTC a discount of 25% from recurring and nonrecurring charges (including 25% from the Surrogate Line Sharing Charges, if applicable) that otherwise would be applicable for unbundled local loops used to

provide Advanced Services in the same relevant geographic area under the conditions and for the period of time outlined in the FCC Merger Conditions.

- 6.2 If TWTC does not qualify for the promotional unbundled Local Loop discounts set forth in the FCC Merger Conditions, AM-WI's provision, if any, and TWTC's payment for unbundled Local Loops shall continue to be governed by the terms currently contained in this Agreement without reference to this Appendix. Unless AM-WI receives thirty (30) days advance written notice with instructions to terminate loops used to provide Advanced Services or to convert such loops to an available alternative service provided by AM-WI, then upon expiration of discounts for loops used to provide Advanced Services, the loops shall automatically convert to an appropriate AM-WI product/service offering pursuant to the terms and conditions of the Agreement without reference to this Appendix or, in the absence of terms and conditions in the Agreement, the applicable tariff. Where there are no terms for such offering in the Agreement without reference to this Appendix and there is no applicable tariff, the Parties shall meet within 30 days of a written request to do so to negotiate mutually acceptable rates, terms and conditions that shall apply retroactively. If the Parties are unable to reach agreement within 60 days of the written request to negotiate, any outstanding disputes shall be handled in accordance with the Dispute Resolution procedures in the Agreement.
- 6.3 In order to qualify for the OSS Discounts set forth in **Paragraphs 6.1 and 6.2** for Wisconsin, TWTC shall deliver to AM-WI and the Public Service Commission of Wisconsin, initially and on a quarterly basis, a Certificate of Eligibility for OSS Discounts in the form set forth on **Exhibit E** - OSS Discounts, Certificate of Eligibility as specifically required by Paragraph 18 of the FCC Conditions and by the Public Service Commission of Wisconsin.

7. PROMOTIONAL DISCOUNTS ON UNBUNDLED LOCAL LOOPS USED FOR RESIDENTIAL SERVICES

- 7.1 AM-WI will provide TWTC access to unbundled 2-Wire Analog Loop(s) for use by TWTC in providing local service to residential end user customers at the rates and on the terms and conditions set forth in the FCC Merger Conditions for the period specified therein. Such provision of loops is subject to TWTC's qualification and compliance with the provisions of the FCC Merger Conditions.
- 7.2 If TWTC does not qualify for the promotional unbundled Loop discounts set forth in the FCC Merger Conditions, AM-WI's provision, if any, and TWTC's payment for unbundled Loops shall continue to be governed by Appendix UNE as currently contained in this Agreement without reference to this Appendix. Unless AM-WI receives thirty (30) days advance written notice with instructions to terminate the unbundled Local Loop provided with the Promotional Discount or to convert such service to an available alternative service provided by AM-WI, then upon expiration of the Promotional Discount for any unbundled Local Loop, the loop shall

automatically convert to an appropriate AM-WI product/service offering pursuant to the terms and conditions of the Agreement without reference to this Appendix or, in the absence of terms and conditions in the Agreement, the applicable tariff. Where there are no terms for such offering in the Agreement without reference to this Appendix and there is no applicable tariff, the Parties shall meet within 30 days of a written request to do so to negotiate mutually acceptable rates, terms and conditions that shall apply retroactively. If the Parties are unable to reach agreement within 60 days of the written request to negotiate, any outstanding disputes shall be handled in accordance with the Dispute Resolution procedures in the Agreement.

8. PROMOTIONAL DISCOUNTS ON RESALE

- 8.1 AM-WI will provide TWTC promotional resale discounts on telecommunications services that AM-WI provides at retail to subscribers who are not telecommunications carriers, where such services are resold to residential end user customers at the rates and on the terms and conditions set forth in the FCC Merger Conditions for the period specified therein. Such provision of promotional resale discounts is subject to TWTC's qualification and compliance with the provisions of the FCC Merger Conditions.
- 8.2 If TWTC does not qualify for the promotional resale discounts set forth in the FCC Merger Conditions, AM-WI's provision, if any, and TWTC's payment for promotional resale discounts shall continue to be governed by Appendix Resale as currently contained in the Agreement without reference to this Appendix. Unless SBC receives thirty (30) days advance written notice with instructions to terminate service provided via a Promotional discount on resale or to convert such service to an available alternative service provided by AM-WI, then upon expiration of any Promotional discount, the service shall automatically convert to an appropriate AM-WI product/service offering pursuant to the terms and conditions of the Agreement or, in the absence of terms and conditions in the Agreement, the applicable tariff. Where there are no terms for such offering in the Agreement without reference to this Appendix and there is no applicable tariff, the Parties shall meet within 30 days of a written request to do so to negotiate mutually acceptable rates, terms and conditions that shall apply retroactively. If the Parties are unable to reach agreement within 60 days of the written request to negotiate, any outstanding disputes shall be handled in accordance with the Dispute Resolution procedures in the Agreement.

9. PROMOTIONAL UNE PLATFORM

- 9.1 AM-WI will provide to TWTC, at the rates, terms and conditions and for the period of time contained in the FCC Merger Conditions, promotional end-to-end combinations of UNEs (the "promotional UNE platform") to enable TWTC to provide residential POTS service and residential Basic Rate Interface ISDN service. The promotional UNE platform may be used to provide exchange access services in combination with these services. For purposes of this Paragraph, the promotional UNE platform is a combination of all network elements used to provide residential

POTS service and residential Basic Rate Interface ISDN service and available under FCC Rule 51.319, as in effect on January 24, 1999. When **AM-WI** provides the promotional UNE platform, TWTC will pay a sum equal to the total of the charges (both recurring and nonrecurring) for each individual UNE and cross connect in the existing assembly. Where a new assembly is required, TWTC will pay an additional charge to compensate **AM-WI** for creating such new assembly. The assembly charge will be established pursuant to section 252(d)(1) of the Telecommunications Act by agreement of the parties or by the appropriate state commission. Should TWTC's order require an assembly charge prior to establishment of such charge, **AM-WI** will bill and TWTC will pay after such charge is established. Provision of the promotional UNE platform is subject to TWTC's qualification and compliance with the provisions of the FCC Merger Conditions.

- 9.2 If TWTC does not qualify for the promotional UNE platform set forth in the FCC Merger Conditions, or if the promotional UNE platform is no longer available for any reason, **AM-WI**'s provision and TWTC's payment for the new or embedded base customers' unbundled network elements, cross connects or other items, and combining charges, if any, used in providing the promotional UNE platform shall be governed by the rates, terms, and conditions as currently contained in the Agreement without reference to this Appendix. Should such provisions not be contained in the Agreement without reference to this Appendix, **AM-WI**'s provision and TWTC's payment will be at the price level of an analogous resale service or the applicable tariff. Where there are no terms for an analogous resale service in the Agreement without reference to this Appendix and there is no applicable tariff, the Parties shall meet within 30 days of a written request to do so to negotiate mutually acceptable rates, terms and conditions that shall apply retroactively. If the Parties are unable to reach agreement within 60 days of the written request to negotiate, any outstanding disputes shall be handled in accordance with the Dispute Resolution procedures in the Agreement.
- 9.3 Notwithstanding 9.1 and 9.2 above, **SBC-AMERITECH** shall provide a Promotional UNE Platform which shall consist of a) an Unbundled Local Loop; and b) Unbundled Local Switching with Interim Shared Transport, both as defined and offered in this Agreement. The Promotional UNE Platform shall consist of the functionality provided by: 1) an Unbundled Local Loop and 2) ULS-IST purchased under the provisions of this Amendment (and not from any other source). If the unbundled Local Loop offering or the ULS-IST offering in this Amendment changes, the Promotional UNE Platform will automatically change to the same extent.
- 9.3.1 **AM-WI** will provide The Promotional UNE Platform in accordance with the terms and conditions as listed on the "Combined Platform Offering" Unbundling Elements Ordering Guide document on **SBC's CLEC Online**.

10. LOOP CONDITIONING CHARGES

- 10.1 In accordance with paragraph 21 of the FCC Merger Conditions AM-WI will provide to TWTC at the rates, terms and conditions and for the period of time contained in the FCC Merger Conditions conditioning services for xDSL loops for purposes of TWTC providing Advanced Services (as that term is defined in the FCC Merger Conditions). Such conditioning services will be provided subject to true up as set out in paragraph 21. TWTC will identify to AM-WI the rate to be charged subject to true-up not less than 30 days before ordering xDSL loop conditioning to which said rate will apply. During this interim period and subject to true-up, unbundled loops of less than 12,000 feet (based on theoretical loop length) that could be conditioned to meet the minimum requirements defined in the associated AM-WI technical publications through the removal of load coils, bridged taps, and/or voice grade repeaters will be conditioned at no charge. Where AM-WI identifies conditioning (with associated conditioning charges) that is necessary for an unbundled loop ordered by TWTC to provide Advanced Services, AM-WI will obtain TWTC's authorization to perform, and agreement to pay for, each type of conditioning before proceeding with any conditioning work. Consistent with Paragraph 21 of the FCC's Merger Conditions, in states where rates have been approved for the removal of load coils, bridged taps and/or voice-grade repeaters by the state commission in arbitration, a generic cost proceeding or otherwise, TWTC shall not be entitled to adopt interim conditioning rates under the terms of this Section 10.1.

11. ALTERNATE DISPUTE RESOLUTION

- 11.1 In addition to the foregoing, upon TWTC's request, the Parties shall adhere to and implement, as applicable, the Alternative Dispute Resolution guidelines and procedures described in the FCC Merger Conditions including Attachment D.

12. CONFLICTING CONDITIONS

- 12.1 If any of the FCC Merger Conditions in this Appendix and conditions imposed in connection with the merger under state law grant similar rights against AM-WI, TWTC shall not have a right to invoke the relevant terms of these FCC Merger Conditions in this Appendix if TWTC has invoked substantially related conditions imposed on the merger under state law in accordance the FCC Merger Conditions.

13. SUSPENSION OF CONDITIONS

- 13.1 If the FCC Merger Conditions are overturned or any of the provisions of the FCC Merger Conditions that are incorporated herein by reference are amended or modified as a result of any order or finding by the FCC, a court of competent jurisdiction or other governmental and/or regulatory authority, any impacted promotional discounts and other provision described in this Appendix shall be automatically and without notice suspended as of the date of such termination or order or finding and shall not apply to any product or service purchased by TWTC or

provisioned by AM-WI after the date of such termination or order or finding. Thereafter, AM-WI's continued provision and TWTC's payment for any service or item originally ordered or provided under this Appendix shall be governed by the rates, terms, and conditions as currently contained in the Agreement without reference to this Appendix. In the event that the FCC changes, modifies, adds or deletes any of the FCC Merger Conditions set forth herein, the Parties agree that the FCC's final order controls and takes precedence over the FCC Merger Conditions set forth herein.

14. UNBUNDLED LOCAL SWITCHING WITH INTERIM SHARED TRANSPORT

- 14.1 Beginning on October 9, 2000, SBC-AMERITECH no longer provides unbundled interim shared transport, but rather provides unbundled shared transport in accordance with Appendix C, paragraph 56 of the Federal Communications Commission's Memorandum Opinion and Order, CC Docket No. 98-141 (FCC 99-279, rel. October 8, 1999). The newer unbundled shared transport offering is available through a UNE Appendix that contains the applicable terms, conditions and rates; Unbundled shared transport is not offered under this Appendix.

EXHIBIT E

OSS Discounts, Certificate of Eligibility

[Insert Date]

[Name and Address of Account Manager]

[Name and Address of Service Manager]

Dear _____

This Certificate of Eligibility for Promotional Discounts (the “Eligibility Certificate”) is delivered to you pursuant to the Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996 by and between our companies as amended to the date hereof (the “Agreement”). Unless otherwise defined herein or the context otherwise requires, terms used herein shall have the meaning provided in the Agreement and the FCC Conditions.

[INCLUDE FOLLOWING CERTIFICATION ON A QUARTERLY BASIS]

As a condition to receipt of the promotional provisions set forth in its agreement with **AM-WI** hereby certifies to **AM-WI** and the Public Service Commission of Wisconsin that Requesting Carrier is using each of the unbundled loops on which Requesting Carrier has requested and is receiving the OSS discounts provided in Appendix – Merger Conditions to provisions an Advanced Service in compliance with the provisions of Paragraph 18 of the FCC Conditions.

In Witness Whereof [Requesting Carrier] has caused this Eligibility Certificate to be executed and delivered by its duly authorized officer this _____ day of _____, _____.

[Requesting Carrier]

By: _____

Name Printed: _____

Title: _____

CC: [Insert state commission Recipient]